

2013R01129/SME/AJB

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

: Hon.

v.

: Crim. No. 17-*CR-321(WHW)*

NIKOLAY KRECHET,  
a/k/a "Kolya"

: 18 U.S.C. §§ 371, 2315 & 2

:

**INDICTMENT**

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

**COUNT ONE**  
**(Conspiracy to Sell, Receive, or Possess Stolen Goods)**

**Relevant Persons and Entities**

1. At all times relevant to Count One of this Indictment:

a. Defendant NIKOLAY KRECHET, a/k/a "Kolya," ("KRECHET")

was a resident of New York, New York.

b. Credit cards, issued by banks and other financial institutions (the "Card Issuers"), allowed consumers to obtain goods and services with the understanding that the consumers would repay the Card Issuers pursuant to contractual agreements between the consumers and the Card Issuers.

c. Gift cards, sold by retailers and financial institutions, were prepaid instruments denominated in various dollar amounts that allowed consumers to purchase goods and services from retailers, often the retailers

who sold the gift cards. The denomination of a gift card at the time of its initial purchase from a retailer or financial institution was known as its “face value.” For example, if a consumer bought a gift card from a retailer for \$500, then the card’s face value was \$500.

d. Certain individuals, who are not named as defendants herein, fraudulently obtained credit cards and then used these credit cards to purchase gift cards from retailers (the “Stolen Gift Cards”).

e. Company 1 was headquartered in or around Cupertino, California, and was engaged in the business of, among other things, the sale of gift cards to customers throughout the United States, including in New Jersey. Company 1 offered at least two kinds of gift cards: those that could be redeemed for merchandise, including computers and smartphones (“Company 1 Merchandise Gift Cards”), and those that could be redeemed for online media, including music and videos, at Company 1’s online digital media store (“Company 1 Digital Media Gift Cards”).

f. Company 2 was headquartered in or around Minneapolis, Minnesota, and was engaged in the business of, among other things, the sale of gift cards to customers throughout the United States, including in New Jersey.

g. Company 3 was headquartered in or around Bentonville, Arkansas, and was engaged in the business of, among other things, the sale of gift cards to customers throughout the United States, including in New Jersey.

**Overview of the Conspiracy**

2. Defendant KRECHET and others, including E.R., N.M., Co-Conspirator 1 (“CC-1”), Co-Conspirator 2 (“CC-2”), Co-Conspirator 3 (“CC-3”), Co-Conspirator 4 (“CC-4”), and Co-Conspirator 5 (“CC-5”) (collectively, the “Co-Conspirators”), served as third-party brokers for Stolen Gift Cards and merchandise. The Co-Conspirators purchased Stolen Gift Cards for less than their face value, knowing that these cards had been obtained through illegal means. The Co-Conspirators then resold the Stolen Gift Cards for a profit or used them to purchase merchandise or yet other gift cards, which they then resold. Certain of the Stolen Gift Cards were obtained using the personal identifying information of New Jersey residents. Other Stolen Gift Cards were ultimately redeemed in New Jersey after having crossed state lines.

**The Conspiracy**

3. From at least as early as in or about September 2014 through in or about August 2015, in the District of New Jersey, and elsewhere, the defendant,

**NIKOLAY KRECHET,  
a/k/a “Kolya,”**

did knowingly and intentionally conspire and agree with E.R., N.M., CC-1, CC-2, CC-3, CC-4, CC-5, and with others to receive, possess, conceal, store, barter, sell, and dispose of goods, wares, and merchandise, securities, and money of the value of \$5,000 or more, which crossed a State boundary after having being stolen, unlawfully converted, and taken, knowing the same to

have been stolen, unlawfully converted, and taken, contrary to Title 18, United States Code, Section 2315.

**Object of the Conspiracy**

4. The object of the conspiracy was for Co-Conspirators, including defendant KRECHET, to profit unlawfully by transacting in Stolen Gift Cards and in merchandise purchased through the redemption of Stolen Gift Cards.

**Manner and Means of the Conspiracy**

5. It was part of the conspiracy that certain Co-Conspirators, including defendant KRECHET, purchased Stolen Gift Cards, knowing that these Stolen Gift Cards had been obtained through illegal means.

6. It was further part of the conspiracy that certain Co-Conspirators, including defendant KRECHET, sought to re-sell or redeem Stolen Gift Cards as quickly as possible after acquiring them, in part to avoid the possibility that the Stolen Gift Cards would be deactivated if the Card Issuers or the retailers discovered that the Stolen Gift Cards had been unlawfully obtained.

7. It was further part of the conspiracy that certain Co-Conspirators, including defendant KRECHET, used cellular phones to communicate with potential buyers and sellers of Stolen Gift Cards, including when negotiating the sale price and quantity of the Stolen Gift Cards and when determining where to meet to effect the transaction.

8. It was further part of the conspiracy that certain Co-Conspirators, including defendant KRECHET, transported Stolen Gift Cards and merchandise across state lines. Among other things, Co-Conspirators

transported Stolen Gift Cards and merchandise through New Jersey while driving between Delaware and New York, where Co-Conspirators regularly conducted business.

9. It was further part of the conspiracy that certain Co-Conspirators, including KRECHET, made use of one or more hotel rooms in New Castle County, Delaware, to store Stolen Gift Cards and merchandise, and to further the goals of the conspiracy.

10. It was further part of the conspiracy that certain Co-Conspirators, including defendant KRECHET, resold Stolen Gift Cards for a profit.

11. It was further part of the conspiracy that certain Co-Conspirators, including defendant KRECHET, took steps to conceal their illegal activities, including but not limited to:

- a. Conducting transactions for Stolen Gift Cards in cash; and
- b. Failing to report income to tax authorities, so as to conceal their illegal profits.

12. It was further part of the conspiracy that, after being resold by defendant KRECHET and others, certain Stolen Gift Cards were transported across state lines and redeemed in New Jersey and elsewhere for merchandise or yet other gift cards.

#### **Overt Acts**

13. In furtherance of the conspiracy and to achieve its illegal objectives, Co-Conspirators, including defendant KRECHET, committed the

following overt acts, among others, in the District of New Jersey, and elsewhere:

- a. On or about March 13, 2015, defendant KRECHET bought from E.R. a quantity of Stolen Gift Cards issued by Company 3.
- b. On or about March 20, 2015, defendant KRECHET bought from E.R. a quantity of Stolen Gift Cards issued by Company 3.

All in violation of Title 18, United States Code, Section 371.

**Count Two**  
**(Sale, Receipt, or Possession of Stolen Goods)**

1. The allegations in paragraphs 1-2 and 5-10 of Count One of this Indictment are re-alleged and incorporated as if set forth fully herein.
2. On or about March 13, 2015, in the District of New Jersey, and elsewhere, the defendant,

**NIKOLAY KRECHET,  
a/k/a "Kolya,"**

did knowingly receive, possess, conceal, store, barter, sell, and dispose of goods, wares, and merchandise, securities, and money of the value of \$5,000 or more, which crossed a State boundary after being stolen, unlawfully converted, and taken, knowing the same to have been stolen, unlawfully converted, and taken.

In violation of Title 18, United States Code, Section 2315 and Section 2.

**Count Three**  
**(Sale, Receipt, or Possession of Stolen Goods)**

1. The allegations in paragraphs 1-2 and 5-10 of Count One of this Indictment are re-alleged and incorporated as if set forth fully herein.
2. On or about March 20, 2015, in the District of New Jersey, and elsewhere, the defendant,

**NIKOLAY KRECHET,  
a/k/a "Kolya,"**

did knowingly receive, possess, conceal, store, barter, sell, and dispose of goods, wares, and merchandise, securities, and money of the value of \$5,000 or more, which crossed a State boundary after being stolen, unlawfully converted, and taken, knowing the same to have been stolen, unlawfully converted, and taken.

In violation of Title 18, United States Code, Section 2315 and Section 2.

**FORFEITURE ALLEGATION**

1. The allegations contained in all paragraphs of Counts One through Three of this Indictment are hereby re-alleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461.

2. Upon conviction of the offenses charged in Counts One through Three of this Indictment, defendant KRECHET shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property constituting or derived from proceeds obtained directly or indirectly as a result of the violations of Title 18, United States Code, Sections 371 and 2315, alleged in Counts One through Three of this Indictment.

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461, to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

A TRUE BILL

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FOREPERSON



WILLIAM E. FITZPATRICK  
Acting United States Attorney

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**INDICTMENT FOR**

**18 U.S.C. §§ 371, 2315 & 2**

**A True Bill,**

**Foreperson**

**WILLIAM E. FITZPATRICK  
ACTING UNITED STATES ATTORNEY  
FOR THE DISTRICT OF NEW JERSEY**

**SVETLANA EISENBERG  
ANDREW BRUCK  
ASSISTANT U.S. ATTORNEYS  
NEWARK, NEW JERSEY  
973-645-2931**